

Appendix G

Brian Walsh's Presentation on Pipeline Incident Cost

Pipeline Incident Cost Data

South Dakota Underground Pipeline Task Force

September 22, 2008

Introduction

- The purpose of this presentation is to review available incident costs for hazardous materials (includes natural gas) pipelines in the United States.
- To do this the PHMSA incident database was used to review pipeline incident cost data for South Dakota and surrounding states and the U.S. as a whole.

PHMSA Accident Database

- Pipeline incidents included in the database are those meeting the following criteria:
 - Those with gross loss greater than 50 barrels or,
 - Those with a fatality or injury requiring in-patient hospitalization or,
 - Those with fire or explosions or,
 - Those with Highly volatile liquid releases with gross loss of more than 5 barrels or,
 - Those involving costs greater than or equal to \$50,000
- Cost include all public and private cost associated with the incident (includes cleanup and response costs)

South Dakota and Surrounding States

- Data reviewed for these states includes all pipeline incidents between January 1, 1998 and 2008 YTD
- States reviewed include: South Dakota, North Dakota, Minnesota, Iowa, Nebraska, Montana and Wyoming

South Dakota

- Number of Incidents = 9
- Maximum Incident Cost = \$476,430
- Minimum Incident Cost = \$36,363
- Average Cost Per Incident = \$200,657
- Median Cost Per Incident = \$150,000

North Dakota

- Number of Incidents = 17
- Maximum Incident Cost = \$1,341,652
- Minimum Incident Cost = \$0
- Average Cost Per Incident = \$372,772
- Median Cost Per Incident = \$276,125

Minnesota

- Number of Incidents = 64
- Maximum Incident Cost = \$6,302,405
- Minimum Incident Cost = \$0
- Average Cost Per Incident = \$592,620
- Median Cost Per Incident = \$170,996

Iowa

- Number of Incidents = 44
- Maximum Incident Cost = \$2,291,773
- Minimum Incident Cost = \$0
- Average Cost Per Incident = \$249,941
- Median Cost Per Incident = \$104,757

Nebraska

- Number of Incidents = 23
- Maximum Incident Cost = \$765,470
- Minimum Incident Cost = \$2,494
- Average Cost Per Incident = \$227,893
- Median Cost Per Incident = \$146,416

Montana

- Number of Incidents = 15
- Maximum Incident Cost = \$879,525
- Minimum Incident Cost = \$0
- Average Cost Per Incident = \$238,079
- Median Cost Per Incident = \$131,223

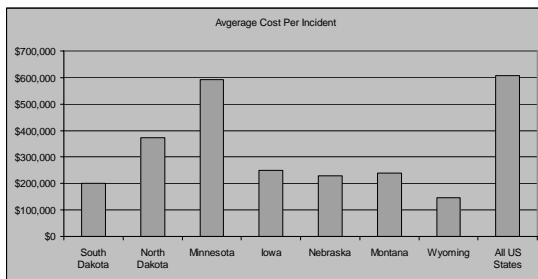
Wyoming

- Number of Incidents = 41
- Maximum Incident Cost = \$1,282,203
- Minimum Incident Cost = \$0
- Average Cost Per Incident = \$147,503
- Median Cost Per Incident = \$97,769

U.S. Pipeline Incidents

- Data reviewed for the U.S. includes all pipeline accidents between January 1, 1988 and 2008 YTD
 - Number of Incidents = 5,921
 - Average Cost per Incident = \$607,649

Average Cost Per Accident Summary Chart



Questions?